



Louisiana Senate Finance Committee



FY23 Executive Budget

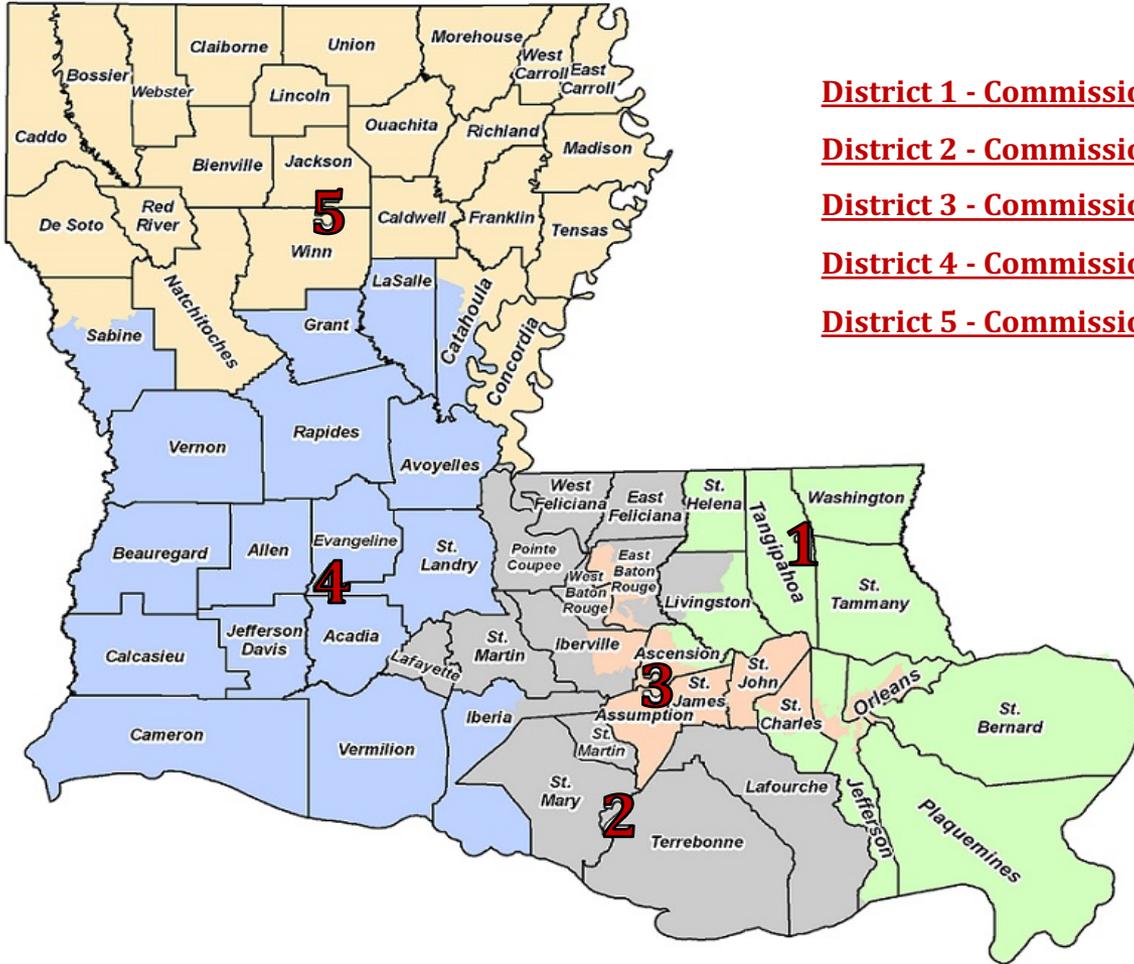
04-158 – Public Service Commission

February 2022

*Senator Patrick Page Cortez, President
Senator Bodi White, Chairman*



Public Service Commission District Offices



District 1 - Commissioner Eric Skrmetta

District 2 - Commissioner Craig Greene

District 3 - Commissioner Lambert C. Boissiere, III (Chairman)

District 4 - Commissioner Mike Francis

District 5 - Commissioner Foster L. Campbell



Departmental mission — The Public Service Commission's mission is to impartially, equitably, and efficiently regulate the rates and services of public utilities and common carriers operating in the State of Louisiana so as to ensure safe, reliable, and reasonably priced services for consumers; a fair rate of return for the regulated utilities and common carriers; and to carry out legislative mandates, such as "Do Not Call" regulations.



FY23 Recommended Budget

Schedule 04-158 — Public Service Commission

Departmental mission — The Public Service Commission's mission is to impartially, equitably, and efficiently regulate the rates and services of public utilities and common carriers operating in the State of Louisiana so as to ensure safe, reliable, and reasonably priced services for consumers; a fair rate of return for the regulated utilities and common carriers; and to carry out legislative mandates, such as "Do Not Call" regulations.

Agency	Program Description
Administrative	Provides executive leadership for fiscal, legal, IT, and general support functions; and provides the oversight necessary for efficient operation of the Commission resulting in achievement of the department's overall mission of regulating public utilities and common carriers.
Support Services	Reviews, analyzes, and investigates rates and charges filed before the Commission with respect to prudence and adequacy of those rates; manages the progress of adjudicatory proceedings; conducts evidentiary hearings in an impartial, fair, professional and orderly manner; and make rules and recommendations to the Commissioners which are just, and which generate the highest degree of public confidence in the Commission's integrity and fairness.
Motor Carrier Registration	Provides fair and impartial regulations of intrastate common and contract carriers offering services for hire.
District Offices	Provides accessibility and information to the public on regulation as it applies to the services provided to the consumer.

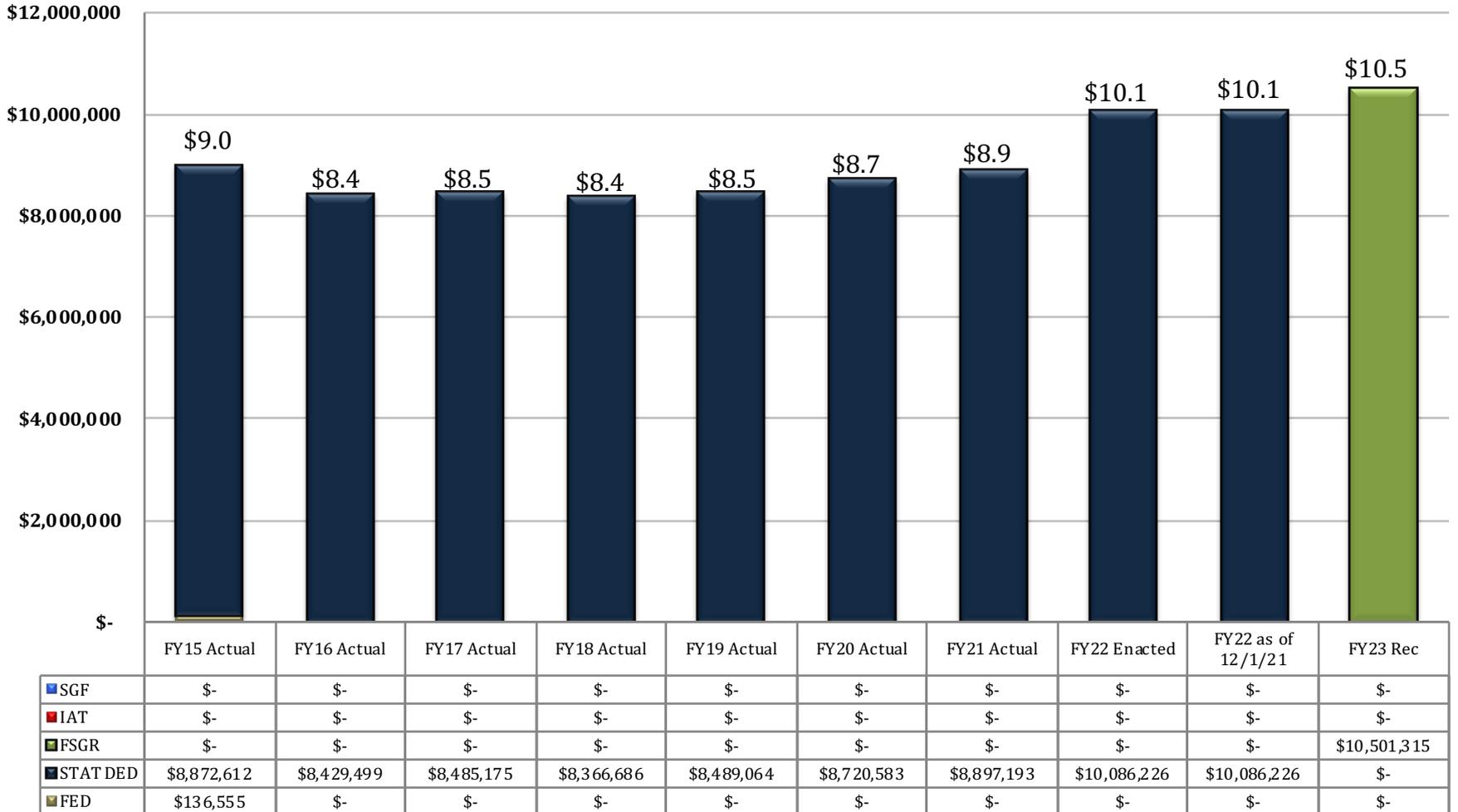


Public Service Commission

Changes in Funding since FY15

**Total Budget by Fiscal Year and Means of Finance
(in \$ millions)**

Change from FY15 to FY23 is +16.6%.
Change from FY15 to FY21 is -1.2%.





Public Service Commission

Significant Budget Adjustments Recommended for FY23

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$0	\$10,086,226	\$0	\$10,086,226	95	FY22 Existing Operating Budget as of 12-1-21
\$0	\$0	\$140,169	\$0	\$0	\$140,169	0	Market Rate Classified
\$0	\$0	\$29,158	\$0	\$0	\$29,158	0	Civil Service Training Series
\$0	\$0	(\$41,519)	\$0	\$0	(\$41,519)	0	Related Benefits Base Adjustment
\$0	\$0	\$44,729	\$0	\$0	\$44,729	0	Retirement Rate Adjustment
\$0	\$0	\$15,632	\$0	\$0	\$15,632	0	Group Insurance Rate Adjustment for Active Employees
\$0	\$0	\$8,664	\$0	\$0	\$8,664	0	Group Insurance Rate Adjustment for Retirees
\$0	\$0	\$62,379	\$0	\$0	\$62,379	0	Salary Base Adjustment
\$0	\$0	(\$173,961)	\$0	\$0	(\$173,961)	0	Attrition Adjustment
\$0	\$0	\$29,240	\$0	\$0	\$29,240	0	Acquisitions & Major Repairs
\$0	\$0	\$0	(\$72,630)	\$0	(\$72,630)	0	Nonrecurring Acquisitions and Major Repairs
\$0	\$0	(\$10,589)	\$0	\$0	(\$10,589)	0	Risk Management
\$0	\$0	\$2,811	\$0	\$0	\$2,811	0	Legislative Auditor Fees
\$0	\$0	\$21,518	\$0	\$0	\$21,518	0	Rent in State-owned Buildings
\$0	\$0	\$303	\$0	\$0	\$303	0	UPS Fees
\$0	\$0	\$2,563	\$0	\$0	\$2,563	0	Civil Service Fees
\$0	\$0	\$6,288	\$0	\$0	\$6,288	0	Office of Technology Services (OTS)
\$0	\$0	\$294,856	\$0	\$0	\$294,856	0	27th Pay Period
\$0	\$0	(\$729)	\$0	\$0	(\$729)	0	Office of State Procurement
\$0	\$0	\$431,512	(\$72,630)	\$0	\$358,882	0	Total Statewide Adjustments
\$0	\$0	\$10,013,596	(\$10,013,596)	\$0	\$0	0	Total Financing Substitution Adjustments
\$0	\$0	\$56,207	\$0	\$0	\$56,207	0	Total Other Adjustments
\$0	\$0	\$10,069,803	(\$10,013,596)	\$0	\$56,207	0	TOTAL Agency Specific Adjustments
\$0	\$0	\$10,501,315	\$0	\$0	\$10,501,315	95	Total FY23 Recommended Budget
\$0	\$0	\$10,501,315	(\$10,086,226)	\$0	\$415,089	0	Total Adjustments (Statewide and Agency-Specific)



04-158 — Public Service Commission

FY23 Statewide and Agency Specific Adjustments

Means of Finance Substitutions

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$226,840	(\$226,840)	\$0	\$0	0	Administrative - Means of Finance substitution to remove funding from the statutory dedication Telephonic Solicitation Relief Fund and reclassify it as fees and self-generated in a fund account per Act 114 of 2021RS. There is no change to the revenue sources, which are fees from solicitors for a copy of the "Do Not Call" list.
\$0	\$0	\$9,566,094	(\$9,566,094)	\$0	\$0	0	Means of Finance substitution to remove funding from the statutory dedication Utility Carrier Inspection and Supervision Fund and reclassify it as fees and self-generated in a fund account per Act 114 of 2021RS. Program totals are: Administrative = \$3,590,061; Support Services = \$2,527,898; Motor Carrier Regulation = \$424,547; and District Offices = \$3,023,588. There is no change to the revenue sources, which are fees for inspection, control, and supervision of the business service and rates of common carriers and public utilities, in addition to any and all property, franchise, license, and other taxes, and fees and charges.
\$0	\$0	\$220,662	(\$220,662)	\$0	\$0	0	Motor Carrier Regulation - Means of Finance substitution to remove funding from the statutory dedication Motor Carrier Regulation Fund and reclassify it as fees and self-generated in a fund account per Act 114 of 2021RS. There is no change to the revenue sources, which are all funds recovered by the Public Service Commission for regulation of the motor carrier industry, by the collection of intrastate application, registration, and permit fees, and fines collected from penalties.
\$0	\$0	\$10,013,596	(\$10,013,596)	\$0	\$0	0	Total Means of Finance Substitutions

Other Adjustments

State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$54,107	\$0	\$0	\$54,107	0	Increase for information technology replacements, installation and maintenance. Program totals are: Administrative: \$11,110; Support Services \$8,140; District Offices \$34,857.
\$0	\$0	\$2,100	\$0	\$0	\$2,100	0	District Offices - Increase in rent for District 2 and District 4 offices. The increase is 5% and the lease expires in December 2022.
\$0	\$0	\$56,207	\$0	\$0	\$56,207	0	Total Other Adjustments

Other Technical Adjustments Adjustments

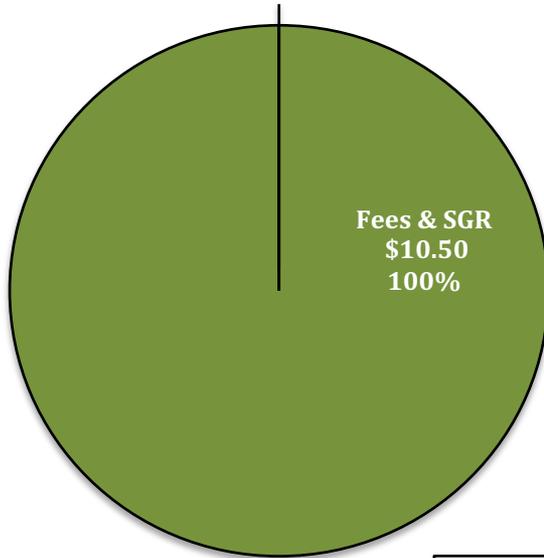
State General Fund (Direct)	Interagency Transfers	Fees and Self-generated Revenues	Statutory Dedications	Federal Funds	Total	T.O.	Adjustment
\$0	\$0	\$165,350	\$0	\$0	\$165,350	0	Administrative - redistributes expenses between programs due to a FY21 rent reduction in Galvez state-owned building rent.
\$0	\$0	(\$121,979)	\$0	\$0	(\$121,979)	0	Support Services - redistributes expenses between programs due to a FY21 rent reduction in Galvez state-owned building rent.
\$0	\$0	(\$43,371)	\$0	\$0	(\$43,371)	0	Motor Carrier Regulation - redistributes expenses between programs due to a FY21 rent reduction in Galvez state-owned building rent.
\$0	\$0	\$0	\$0	\$0	\$0	0	Total Other Technical Adjustments



Public Service Commission

FY23 Recommended Means of Finance & Dedicated Funding

FY23 Recommended Total Means of Finance (In Millions)



Total \$10.5 m.

Non-SGF Sources of Funding:

Non-SGF means of finance includes only **Fees and Self-generated Revenue from a fund account***.

Fees used by the department include the Telephonic Solicitation Relief Fund (S), the Utility and Carrier Inspection and Supervision Fund (S), and the Motor Carrier Regulation Fund (S). Funds are generated from inspection and supervision fees paid by common carriers, contract carriers, and public utilities. Additionally, various fees such as fines, filing fees, I.D. stamps, rehearing applications, registration fees, etc. are collected by the Public Service Commission.

*In prior years, these fees were deposited to statutory dedications. In FY23 they are deposited to a fund account that is classified as fees and self-generated revenue. There is no change to the revenue source.



Public Service Commission FY22 and FY23 Comparison

04-158 — Department of Public Service FY23 Recommended Means of Financing by Agency

Total MOF by Agency for FY23	SGF	IAT	FSGR	Stat Deds	Federal	Total	FY22 Enacted Total	Difference FY22 Enacted to FY23 Recommended
Administrative	\$0	\$0	\$4,073,445	\$0	\$0	\$4,073,445	\$3,837,241	\$236,204
Support Services	\$0	\$0	\$2,484,919	\$0	\$0	\$2,484,919	\$2,549,808	(\$64,889)
Motor Carrier Registration	\$0	\$0	\$658,814	\$0	\$0	\$658,814	\$648,589	\$10,225
District Offices	\$0	\$0	\$3,284,137	\$0	\$0	\$3,284,137	\$3,050,588	\$233,549
Dept. of Public Service	\$0	\$0	\$10,501,315	\$0	\$0	\$10,501,315	\$10,086,226	\$415,089
FY22 Enacted Total	\$0	\$0	\$0	\$10,086,226	\$0	\$10,086,226		
<i>Difference FY22 Enacted to FY23 Recommended</i>	\$0	\$0	\$10,501,315	(\$10,086,226)	\$0	\$415,089		



The department's only sources of revenue are fees that are now deposited to fund accounts instead of statutory dedications. The increase of \$415,089 is due primarily to statewide adjustments, particularly the market rate classified adjustments and the 27th pay period funded by current year collections and prior year balances of regulatory fees.



Categorical Expenditures

Examples of Categories

Departments expend funding in the five major categories listed below.

Personal Services

- Salaries – Regular, overtime, and termination pay for Classified and Unclassified personnel.
- Other Compensation – Wages, student labor, compensation for board members and/or board of trustees, evening instruction, university instructors, etc.
- Related Benefits – Retirement contributions, post-retirement contributions/benefits, FICA tax, Medicare tax, group insurance contributions, compensated absences, other related benefits, taxable fringe benefits, etc.

Total Operating Expenses

- Travel – In-state and Out-of-state, including meal reimbursement.
- Operating Services – Advertising, printing, insurance, maintenance, rentals, data processing, internet costs, dues and subscriptions, mail delivery, telephones, data lines, vehicle tracking and telematics, utilities, depreciation, amortization, banking services, credit card fees, etc.
- Supplies – office supplies and equipment, computers, clothing and uniforms, medical, pharmaceutical, food, automotive, repair and maintenance, software, etc.

Professional Services – Accounting, auditing, management consulting, engineering, architectural, legal, medical and dental, veterinary, information technology, etc.

Total Other Charges

- Other Charges – Aid to school boards, local government, etc.; public assistance; miscellaneous charges; judgments, fines, and penalties; interest on judgments; punitive/compensatory damages; OC personal services, operating expenses, professional services; contract attorney expenses; recoupments; furlough; contractual services; interest expense; claim payments; commercial group insurance; reinsurance; loans issued; disbursements; etc.
- Debt Service – Principal, interest, related charges, reserve requirement, amortization, and bond premiums.
- Interagency Transfer Line-Item Expenditure – Any expenses paid for with Interagency Transfers – from commodities and services to equipment.

Acquisitions and Major Repairs

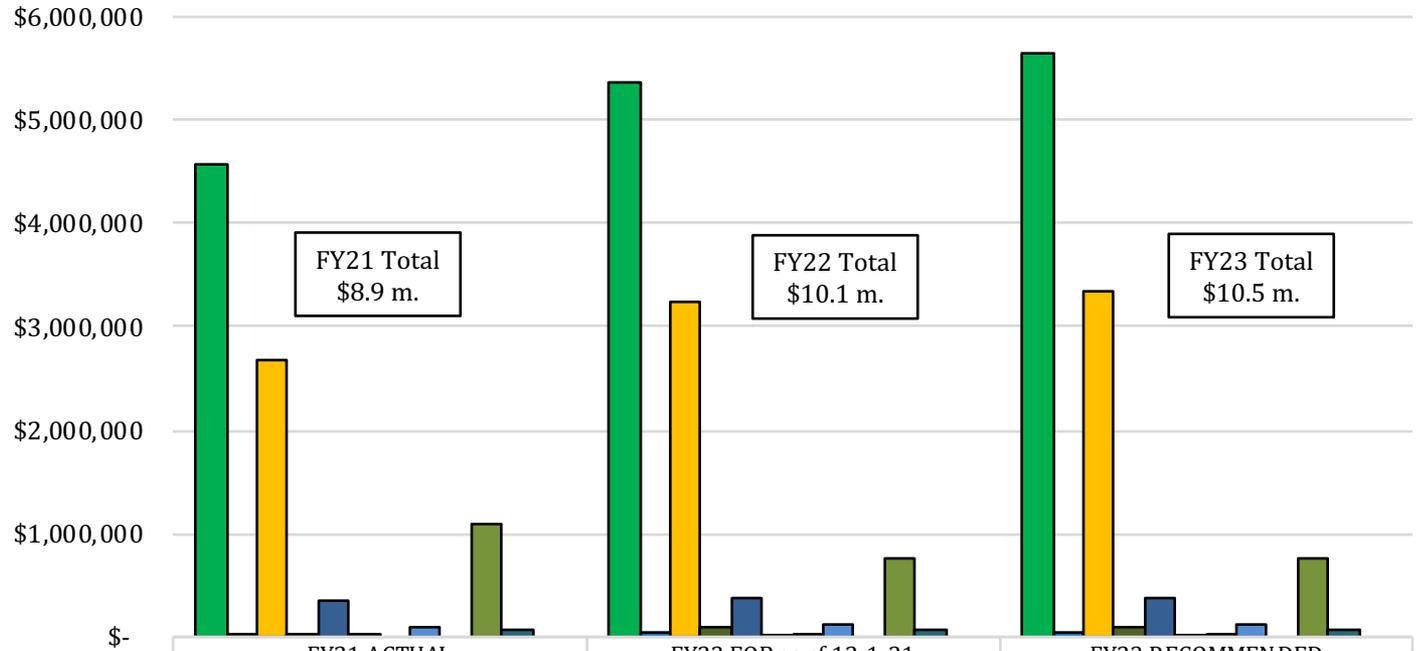
- Acquisitions – Land; buildings; automobiles; aircraft; accessories; equipment; software; hardware; farm and heavy equipment; boats; capital outlay expenditures; construction; etc.
- Major Repairs – Land improvement; buildings; automotive; grounds; boats; aircraft; movable equipment; farm equipment; medical; office; library; education; recreation; communication; other equipment; pollution remediation; etc.



Public Service Commission Categorical Expenditures FY21, FY22, and FY23

For FY23 Recommended, the largest Expenditure Category is Personal Services, which makes up over 85 percent of Total Expenditures.

Adjustments to Personal Services include mandatory salary increases with related benefits and the 27th pay period



	FY21 ACTUAL	FY22 EOB as of 12-1-21	FY23 RECOMMENDED
Personal Services			
Salaries	\$4,580,193	\$5,363,384	\$5,646,169
Other Compensation	\$9,369	\$38,000	\$38,000
Related Benefits	\$2,674,240	\$3,243,475	\$3,340,797
Operating Expenses			
Travel	\$12,417	\$90,868	\$90,868
Operating Services	\$362,635	\$375,351	\$379,928
Supplies	\$15,479	\$28,539	\$28,539
Professional Services			
Professional Services	\$-	\$5,000	\$5,000
Other Charges			
Other Charges	\$88,093	\$121,350	\$124,250
Debt Service	\$-	\$-	\$-
Acquisitions and Major Repairs			
Interagency Transfers	\$1,086,746	\$747,629	\$769,794
Acquisitions	\$68,021	\$72,630	\$77,970
Major Repairs	\$-	\$-	\$-

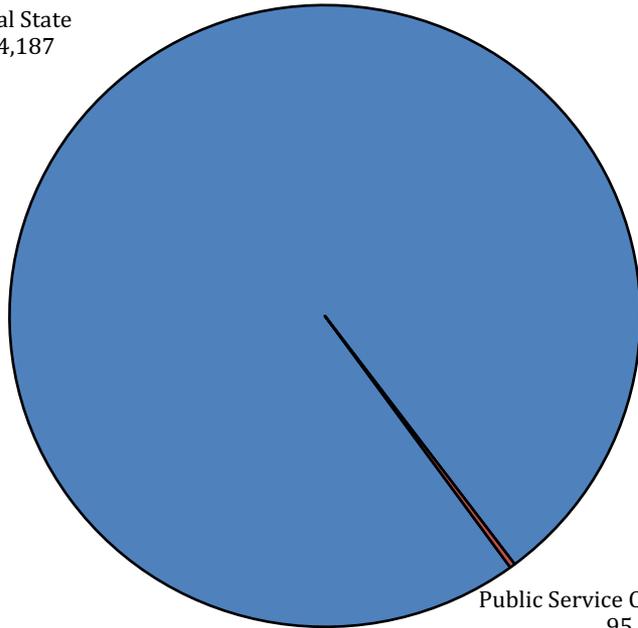


Public Service Commission

FTEs, Authorized T.O., and Other Charges Positions

FY23 Department Employees as a portion of FY23 Total State Employees

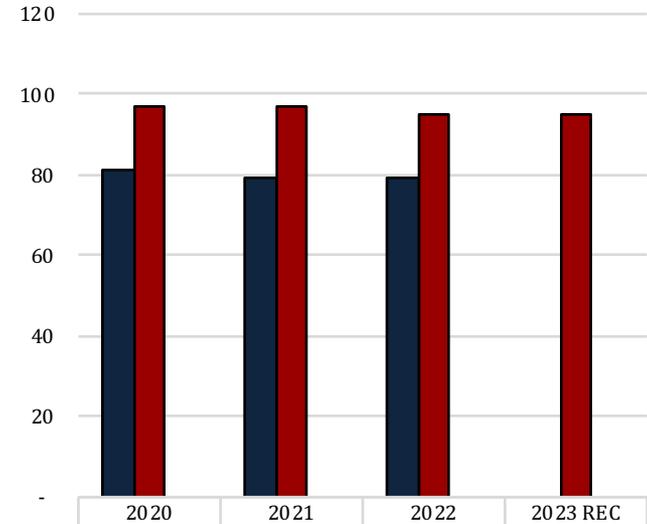
Total State
34,187



Public Service Commission
95
<1%

FY22 number of funded, but not filled,
positions as of January 31 = 17

Number and Types of Positions



	2020	2021	2022	2023 REC
Total FTEs (1st July Report)	81	79	79	-
Authorized T.O. Positions	97	97	95	95
Other Charges Positions	-	-	-	-

The full-time equivalent or **FTE** definition refers to the number of hours considered full-time. For example, if an agency considers 40 hours full time, and there are two employees working 20 hours per week, those two employees would be 1.0 FTE.

Authorized Positions are those referred to in the Table of Organization (or T.O.) for each department. This count includes only those positions paid for from the Salaries expenditure category for the organization units and agencies include in each department's appropriation. This excludes positions paid for from other expenditure categories, such as wages or per diem.

Other Charges positions are authorized under R.S. 39:2(5)(b) ...

(5)(b) "Authorized other charges positions" means the number of positions in an appropriation bill to be funded by the other charges continuing category of the accounting system for the state. The number may be adjusted during a fiscal year in accordance with law.

- [Act 377 of 2013 by Rep. Burrell]
- Positions coded in the Other Charges expenditure category
- These positions are usually associated with federal grants



Public Service Commission

Related Employment Information

Salaries and Related Benefits for the 95 Authorized Positions are listed below in Chart 1. In Chart 2, benefits are broken out to show the portion paid for active versus retired employees. This is where payments for the Unfunded Accrued Liability (UAL) can be found.

1.

Personal Services	2020 Actual	2021 Actual	2022 Enacted	2023 Recommended
Salaries	\$4,423,432	\$4,580,193	\$5,363,384	\$5,646,169
Other Compensation	\$13,768	\$9,369	\$38,000	\$38,000
Related Benefits	\$2,608,024	\$2,674,240	\$3,243,475	\$3,340,797
Total Personal Services	\$7,045,224	\$7,263,802	\$8,644,859	\$9,024,966

Average T.O. Salary = \$59,433

Salaries/Authorized Positions

Examples of Other Compensation include pay for WAE employees, part-time employees, student workers, etc.

2.

Related Benefits FY23 Recommended	Total Funding	%
Total Related Benefits	\$3,340,797	
UAL payments	\$1,872,552	56%
Retiree Health Benefits	\$385,000	
Remaining Benefits*	\$1,083,245	
Means of Finance	General Fund = 0%	Other = 100%

Department Demographics	Total	%
Gender		
Female	49	62
Male	30	38
Race/Ethnicity		
White	60	76
Black	16	20
Asian	2	3
Indian	1	1
Hawaiian/Pacific	0	0
Declined to State	0	0
Currently in DROP or Eligible to Retire	16	20

* Remaining Benefits include employer contribution to authorized positions' retirement, health, Medicare, FICA, Emoluments etc. The authorized positions include authorized T.O. positions and authorized other charges positions, both filled and vacant.

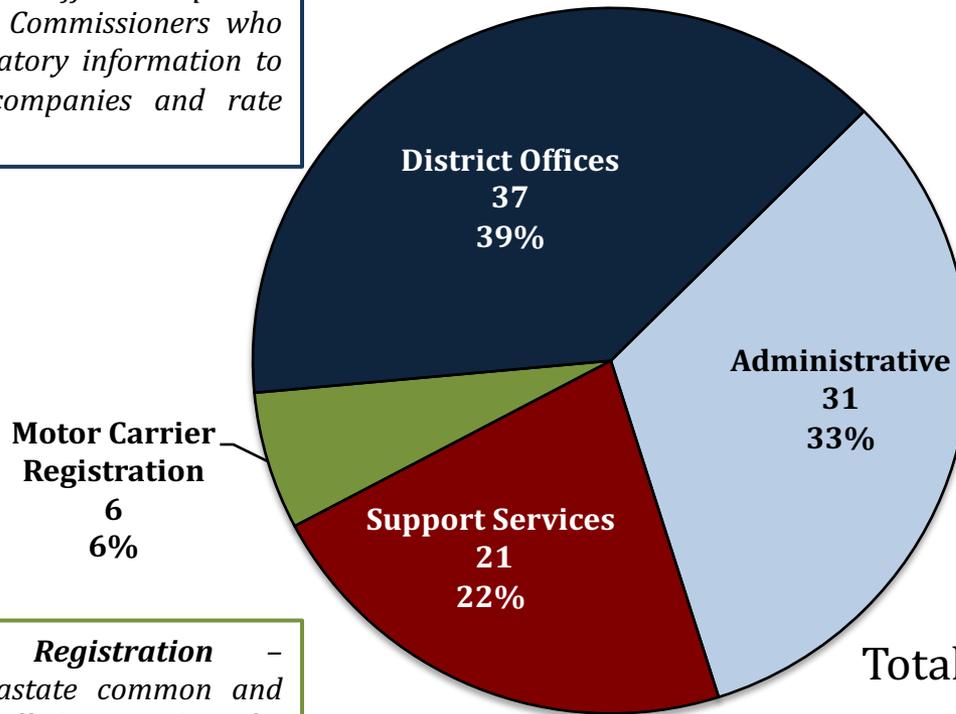
Other Charges Benefits
\$0



Public Service Commission

FY23 Recommended Total Authorized Positions by Agency

District Offices – Staff and expenses for the 5 elected Commissioners who disseminate regulatory information to both regulated companies and rate payers.



Administrative – Provides executive leadership for fiscal, legal, IT, and general support function; and provides the oversight necessary for operation of the Commission.

Motor Carrier Registration – Regulation of intrastate common and contract carriers offering services for hire within the state.

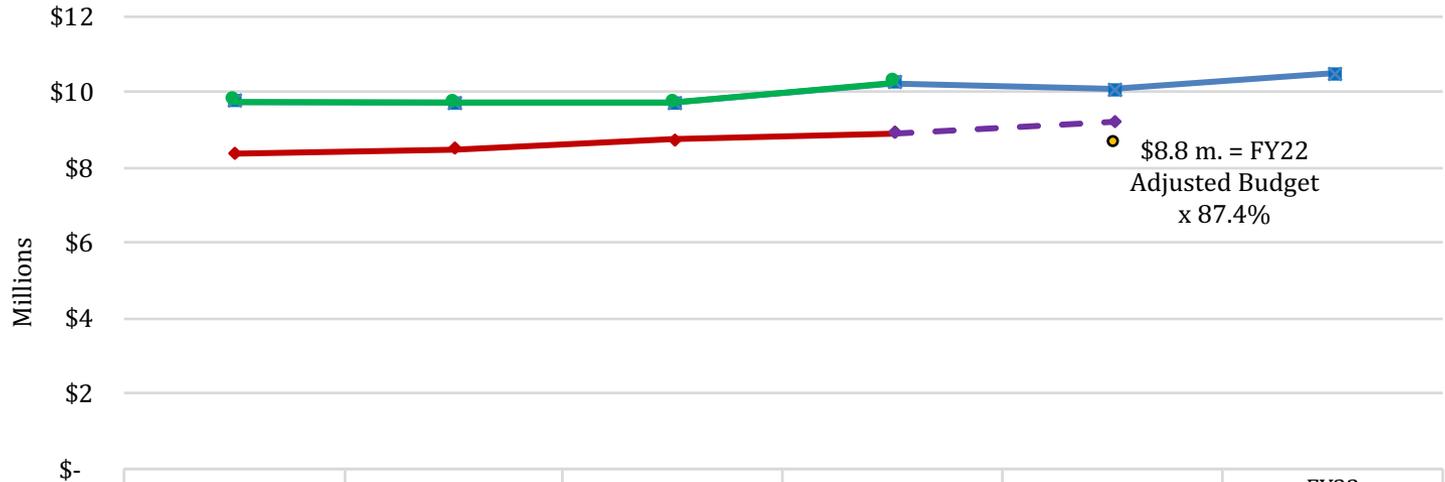
Support Services – provide reviews, analysis and investigation pertaining to the regulation of public utilities and common carriers by administering public hearings and maintaining evidentiary records related to rates and services of public utilities and common carriers.



04-154 Public Service Commission

Enacted & FYE Budget vs. Actual Expenditures FY18 to FY21

FYE Budget = "Fiscal Year End" Budget includes all in-house and regular BA-7s through June 30 of the fiscal year. For FY22, it is as of January.



FY22 Known Supplemental Needs:
\$

FY21 General Fund Reversions:
\$

	FY18	FY19	FY20	FY21	FY22 EOB	FY23 Recommended
Enacted Budget	\$9,764,014	\$9,722,536	\$9,722,536	\$10,242,843	\$10,086,226	\$10,501,315
FYE Budget	\$9,764,014	\$9,722,536	\$9,722,536	\$10,242,843		
Actual Expenditures	\$8,366,686	\$8,489,064	\$8,720,583	\$8,897,188		
FY22 Expenditure Trend				\$8,897,188	\$9,210,118	

Monthly Budget Activity

	FY22 Adjusted Budget	FY22 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
Jul-21	\$ 10,086,226	\$ 831,351	\$ 9,254,875	8.2%
Aug-21	\$ 10,086,226	\$ 1,542,256	\$ 8,543,970	15.3%
Sep-21	\$ 10,086,226	\$ 2,268,488	\$ 7,817,738	22.5%
Oct-21	\$ 10,086,226	\$ 2,860,335	\$ 7,225,891	28.4%
Nov-21	\$ 10,086,226	\$ 3,842,540	\$ 6,243,686	38.1%
Dec-21	\$ 10,086,226	\$ 4,700,052	\$ 5,386,174	46.6%
Jan-22	\$ 10,086,226	\$ 5,372,569	\$ 4,713,657	53.3%

Monthly Budget Activity

	FY22 Adjusted Budget	FY22 Aggregate Expenditures	Remaining Budget Authority	Percent Expended To Date
<i>(Trend based on average monthly expenditures to date)</i>				
Feb-22	\$ 10,086,226	\$ 6,140,079	\$ 3,946,147	60.9%
Mar-22	\$ 10,086,226	\$ 6,907,589	\$ 3,178,637	68.5%
Apr-22	\$ 10,086,226	\$ 7,675,098	\$ 2,411,128	76.1%
May-22	\$ 10,086,226	\$ 8,442,608	\$ 1,643,618	83.7%
Jun-22	\$ 10,086,226	\$ 9,210,118	\$ 876,108	91.3%

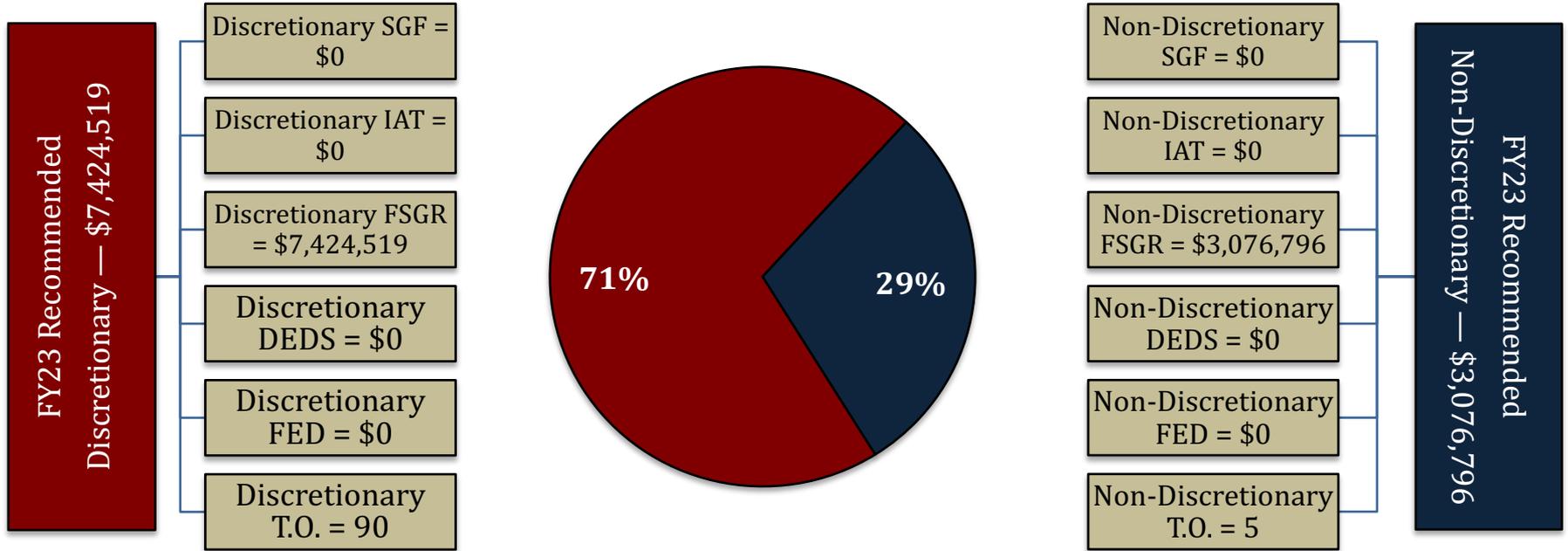
Historical Year End Average

87.4%



Public Service Commission

FY23 Discretionary/Non-Discretionary Comparison



Total Discretionary Funding by Office		
Administrative	\$ 2,925,128	39%
Support Services	\$ 1,721,922	23%
Motor Carrier Registration	\$ 467,321	6%
District Offices	\$ 2,310,148	31%
Total Discretionary	\$ 7,424,519	100%

Total Non-Discretionary Funding by Type		
Commissioner Salaries and Related Benefits	\$ 357,339	12%
UAL Requirements	\$ 1,872,552	61%
Rent in State-owned Buildings	\$ 427,186	14%
Legislative Auditor Fees	\$ 34,719	1%
Retirees Group Insurance	\$ 385,000	13%
Total Non-Discretionary	\$ 3,076,796	100%



Public Service Commission

Agency Issues

In 2018, the PSC won a lawsuit against the state that \$8.53M in prior year fund sweeps was unconstitutional. The judgment was paid out in two funds bills:

In FY19, the \$2M was deposited into a PSC fund from the FY18 surplus in Act 362 of 2019RS.

In FY21, the an additional \$6.53M was deposited into PSC funds from the FY20 surplus in Act 114 of 2021RS:

FY19 Utility & Carrier Inspection & Supervision Fund	\$2,000,000
FY21 Motor Carrier Regulation Fund	\$508,449
FY21 Telephonic Solicitation Relief Fund	\$658,274
<u>FY21 Utility & Carrier Inspection & Supervision Fund</u>	<u>\$ 5,365,837</u>
PSC Total	\$8,532,560

FY22	Utility Carrier Supervision & Inspection Fund	Motor Carrier Regulation Fund	Telephonic Solicitation Fund
Beginning Balance	\$9,841,167	\$782,578	\$758,040
Collections (Jan REC)	\$8,700,000	\$230,000	\$230,000
Appropriation	(\$9,636,944)	(\$220,662)	(\$228,620)
FY22 Anticipated Ending Balance	\$8,904,223	\$791,916	\$759,420